



**STATE BOARD OF  
EQUALIZATION**



**SPECIAL TAXES  
DEPARTMENT**



**ENVIRONMENTAL  
FEES DIVISION**

The  
environmental  
fee is used for  
programs that  
oversee the  
treatment,  
storage, and  
disposal of  
hazardous  
waste in  
California.

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# ENVIRONMENTAL FEE

HEALTH AND SAFETY CODE SECTION 25205.6

*This publication is designed to provide basic information on California's Environmental Fee. If you have questions that are not answered in this publication and would like to talk to a Board representative, please call one of the telephone numbers shown on the reverse.*

## **What is the environmental fee?**

The environmental fee provides revenue for the California Hazardous Waste Management Program, which is administered by Department of Toxic Substances Control (DTSC).

The department is responsible for:

- Tracking hazardous waste from the point of generation to its final destination
- Inspecting hazardous waste clean-up sites
- Providing regulatory control over generators of hazardous waste and facilities that treat, store, or dispose of hazardous waste

The fee is paid to the Board of Equalization by corporations (explained below) and is deposited into the state's Hazardous Waste Control Account.

## **Who must register with the Board and file a return?**

With certain exceptions, corporations that are authorized to conduct business in the state, including out-of-state, nonprofit, and "S" corporations, must register with the Board and file an annual return.

Although a corporation may be required to file a return, it will be required to pay the fee only if it:

- Employs 50 or more persons who work more than 500 hours each *in California* during a calendar year; and
- Belongs to an industrial group that has been identified by DTSC as one that uses, generates, stores, or conducts activities related to hazardous materials (materials that pose a threat to human health or the environment), including, but not limited to, hazardous waste.

In determining whether an industrial group comes under the "hazardous materials" category, the DTSC relies on Standard Industrial Classification (SIC) codes that have been established by the federal Office of Management and Budget. These codes are used to classify businesses by the type of activity in which they are engaged.

The DTSC has identified all SIC groups, except codes 88 (private households) and 8361 (nonprofit residential care facilities), as subject to the fee — regardless of whether a particular corporation within a group uses, generates, stores, or conducts activities related to hazardous material.

## **Parent vs. Subsidiary Corporations**

Parent corporations should contact their wholly-owned subsidiary corporations to find out whether they are registered. If not, the parent corporation must include the subsidiary corporation on its return. Subsidiary corporations that are registered under their own account number should report separately.

## **Who is not required to file a return or pay the fee?**

The following are exempt from the environmental fee:

- Private households (SIC 88)
- Nonprofit residential care facilities (SIC 8361)
- Insurance companies that pay a tax on gross premiums in lieu of all other California taxes and licenses
- Banks that pay a tax on net income in lieu of all other California taxes and licenses
- U.S. Government Corporations

Corporations that receive a return and wish to claim an exemption must file the return and explain the basis for the exemption.

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### ***How much is the fee?***

The annual fee is based on the number of employees who work more than 500 hours in California during the year:

<b><i>Number of Employees</i></b>	<b><i>Fee</i></b>
49 or fewer	\$0
50 to 74	\$100
75 to 99	\$300
100 to 249	\$500
250 to 499	\$750
500 or more	\$1,000

### ***When is the fee due?***

The annual fee is due to the Board of Equalization on or before the last day of February and covers the previous calendar year. All corporations registered with the Board un-

der the Environmental Fee Program will receive a return to complete and mail in with the fee payment.

To avoid receiving a delinquency notice, a completed return should be filed — even if a corporation has fewer than the required 50 employees who worked in California.

Late payments are subject to a penalty of 10 percent and interest at an adjusted annual rate as specified in the Revenue and Taxation Code.

*Note.* If a corporation is required to register, but has not, it must still pay the fee and file a return. Unregistered corporations that meet the filing requirements should contact the Board at the telephone number listed below.

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Returns must be filed by the end of February for the previous calendar year.

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### ***For general information . . .***

Please call 1-800-400-7115



### ***To register . . .***

Please call the Environmental Fees Division at 916-322-9477, or write to:

State Board of Equalization  
Environmental Fees Division MIC: 57  
P.O. Box 942879  
Sacramento, CA 94279-0057



### ***Taxpayers' Rights Advocate***

If you are unable to resolve a disagreement with the Board, or if you would like to know more about your rights under the Hazardous Substances Tax Law, please contact the Taxpayers' Rights Advocate office for help.

Call 916-324-2798 or write to:

State Board of Equalization  
Taxpayers' Rights Advocate MIC: 70  
P.O. Box 942879  
Sacramento, CA 94279-0070